

Cocreating resilient hybrids: the bridging power of social enterprises' organizational logics

Cocreating
resilient
hybrids

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Abstract

Purpose – This study investigates (1) the processes through which social enterprises develop resilient organizational logics and (2) the key resilience factors in the organizational logics of successful social enterprises. The organizational logic is conceptualized here as the dynamic system of roles, rules and social expectations that result from the organization's business model, impact model and organizational form.

Design/methodology/approach – This study adopts an inductive approach to identify emerging resilience factors and processes in an exemplary case of social entrepreneurship (a work integration venture). The longitudinal data collection on this case took place from 2011 to 2016, based on approximately 440 h of participant observation and 10 semi-structured interviews.

Findings – The inductive analysis suggests that social enterprises develop resilient organizational logics through multi-level recursive processes of bridging institutional work. These processes enable the development of an organizational logic that is internally robust while linking distant practices, needs and expectations. The authors conceptualize these characteristics into a novel construct, the organizational logic's bridging power, which is operationalizable through two dimensions (hybridity-based and cocreation-based bridging power) and five sub-dimensions.

Research limitations/implications – Like in all inductive studies, further research is needed to validate the proposed model. The new proposed construct "organizational logic's bridging power" is, interestingly, a meta-theoretical concept encouraging cross-fertilization between the literature on institutional logics and that on value cocreation.

Originality/value – The process development model proposed by this study highlights the importance of network-level institutional work for developing cocreation-based resilience. Furthermore, this study shows how institutional theories could be complemented with other bodies of knowledge in order to understand social enterprise resilience.

Keywords Organizational logics, Institutional logics, Institutional work, Business model, Impact model, Organizational form, Cocreation, Beneficiary empowerment, Social enterprise resilience, Social enterprise survival, Hybridity

Paper type Research paper

Introduction

Social enterprises are often defined as hybrid organizations that pursue a social mission while relying on a commercial business model (Battilana and Lee, 2014; Pless, 2012). For classical commercial firms, profit is the key goal, and positive societal impact is a possible side effect, whilst for social enterprises, positive societal impact is the key goal, and commercial success is a means by which to pursue that goal (Ebrahim *et al.*, 2014; Kraus *et al.*, 2017a). Social enterprises are attracting growing attention in both academia and society (Bull, 2008; Curtis, 2008; Danko *et al.*, 2011; Henderson *et al.*, 2018; Kraus *et al.*, 2014; Vallaster *et al.*, 2019) because these organizations often prove to be irreplaceable in the building of innovative solutions to the societal challenges that both governments and classical markets are poorly equipped to



address (Stephan *et al.*, 2016). For example, social enterprises that are based on hybrid organizing may serve small, dispersed groups of people who are not willing or capable of paying for goods and/or services whose adoption would have relevant spillovers at the societal level, such as health care programs (Santos, 2012). The literature on hybrid organizations is evolving towards a view of social enterprises as laboratories where new solutions and new business models are created that can contribute in a unique way to sustainability challenges (Jones *et al.*, 2008; Margiono *et al.*, 2018; Ridley-Duff, 2008). Consistently, social enterprises are being increasingly described as novel emerging organizational forms (Battilana and Lee, 2014; Tracey *et al.*, 2011).

However, the hybrid nature of social enterprises results in specific, and often tough, challenges for the entrepreneurs and managers that (re)design these organizations (Battilana *et al.*, 2015; Battilana and Dorado, 2010; Ebrahim *et al.*, 2014; Kraus *et al.*, 2017b; Turcato *et al.*, 2012). In fact, in a social enterprise's business model, the processes of value creation at the societal level must be continuously, dynamically balanced with the processes of value capture for financial sustainability (Santos, 2012). In addition, the logic that underlies relationships with beneficiaries must be dynamically (re)aligned with the logic that underlies relationships with the customers, both when the beneficiaries coincide with the customers and when beneficiaries and customers are different subjects (Ebrahim *et al.*, 2014; Santos *et al.*, 2015). A social enterprise is typically immersed in a fragmented organizational field that is populated by conflicting institutional logics, such as the market logic and the charity logic (Bull *et al.*, 2018; Mair *et al.*, 2015; Pache and Santos, 2010). It is difficult to gain legitimacy under all conflicting logics that contemporaneously influence a social enterprise's organizational life. In addition, if the conflicting logics are also internally represented, i.e. polarized and conflicting groups of employees and managers adopt rigid and reciprocally de-legitimizing logics, the organization is threatened with failure in terms of an identity crisis, operational paralysis or mission drift (Pache and Santos, 2010).

Unfortunately, we still know very little about how this intrinsic fragility of hybrid organizations can be successfully addressed (Seanor *et al.*, 2013). We still miss a theory of social enterprises' resilience, which translates into a poor understanding of how social enterprises actually make a sustained impact.

To address this gap, this study builds upon the recently introduced concepts of *bridging institutional work* (Tracey *et al.*, 2011) and *organizational logic* (Spicer and Sewell, 2010) as complementary lenses to explore the key endogenous factors that enable social enterprises' resilience and impact in the face of hybridity.

Tracey *et al.* (2011), in their inductive study, identify *bridging institutional work* (at the individual, organizational and field level) as key to the legitimation and diffusion of new hybrid forms. However, they do not address resilience as a possible outcome of bridging institutional work: in fact, they study the evolution of social enterprise that ends up failing, despite intense bridging institutional work. Reflecting on Tracey *et al.*'s (2011) article, we argue that individual, organizational and field-level processes of bridging institutional work are likely necessary, but insufficient to build resilient social enterprises. In the light of institutional theories, organizational forms are viewed as manifestations (or sometimes generators) of field-level institutional logics (Greenwood *et al.*, 2014), but the role of organizing in the organization's viability and real-world impact is hardly understandable. We then argue that in order to develop a better understanding of social enterprise resilience, a more dynamic view of the role of organizing than that provided by the institutionalist lens alone would be needed.

To do so, we integrate Tracey *et al.*'s (2011) and Spicer and Sewell's (2010) contributions, and partially reconceptualize the *organizational logic* as the dynamic system of intertwining roles, rules and social expectations that result from the organization's business model, impact model, and organizational form. This conceptualization provides an integrated view of

entrepreneurial action and organizing action, and helps understand the organizational logic as an engine whose role is (re)generating, besides embeddedness and legitimacy, also the social enterprise's sustained effectiveness both on the market and the social impact side.

Then, this study investigates the role of organizational logics in the resilience of social enterprises, and more particularly focuses on the following research questions:

RQ1. How do social enterprises develop resilient organizational logics?

RQ2. What are the key resilience factors in the organizational logic of successful social enterprises?

In addition, while addressing [RQ1](#) and [RQ2](#), we explore whether other theories could consistently complement institutionalism in explaining the processes and factors that are key to social enterprises' resilience.

To answer the research questions, we conduct an in-depth inductive study (based on long-term longitudinal participant observation and subsequent interviews and document collection) of a successful Italian social enterprise with a multi-sided impact. This organization is active in the highly competitive field of information technology (IT) consulting, while it pursues a threefold mission of societal impact (the work integration of unemployed people; the provision of affordable IT consulting services to small businesses and non-profit organizations that are usually excluded from this opportunity; and an increased awareness of the ethical implications of IT work in the IT professional field).

The inductive analysis results in an innovative emerging model of the factors and processes that enable social enterprises' resilience. The emerging model can be synthesized as follows:

Response to RQ1: Social enterprises develop resilient organizational logics through the recursive intertwining of four processes: individual-, network-, organizational- and field-level bridging institutional work. This process development model builds upon and innovates that proposed by [Tracey et al. \(2011\)](#), particularly by adding network-level institutional work as a key process and by highlighting the importance of cocreation by critical actors.

Response to RQ2: A successful social enterprise's organizational logic is characterized by a set of factors that can be clustered around a new construct: the organizational logic's bridging power. The organizational logic's bridging power is a meta-theoretical construct with two dimensions: hybridity-based bridging power, which is consistent with the literature on institutional logics, and cocreation-based bridging power, which is consistent with the multidisciplinary literature on value cocreation.

This article proposes the original concept of the organizational logic's bridging power as a theory-spanning operationalizable construct that can be useful not only in the literature on social entrepreneurship, but also in the literature on institutional logics, on the one side, and value cocreation, on the other side. Our results highlight the processual and dynamic nature of the organizational logic's bridging power, providing hints with interesting implications for both theory and practice.

More specifically, this study contributes to the literature on social enterprises and social entrepreneurship by highlighting the role of bridging organizational logics based on cocreation to enable positive cycles of institutional work and make the social enterprise capable of contributing to sustainability transformations ([Etzion et al., 2017](#); [Ferraro et al., 2015](#)) through the development of the common good ([Fjeldstad et al., 2012](#); [George et al., 2016](#)). In addition, our case study provides specific highlights on the success factors in work integration ventures, whose challenges are often considered to be particularly complex compared with other possible social entrepreneurship initiatives ([Battilana et al., 2015](#)).

Background

Social enterprises as hybrid organizations

Some organizations are embedded in fields that are quite stable and shaped by a specific, well-distinguishable institutional logic. For example, a law firm's organizational field is likely to be soundly shaped by the traditional logic of the lawyers' professional community of a specific country. Conversely, social enterprises are typically embedded in fragmented organizational fields, under different (and often conflicting) institutional demands and logics (Pache and Santos, 2010).

The label *hybrid organizations* is being increasingly adopted to indicate social enterprises and more generally all of the organizations that cope with different institutional logics by combining these logics in unprecedented ways (Battilana and Dorado, 2010). For example, micro-finance organizations, which enable entrepreneurship by providing poor people with loans in developing countries (Chliova *et al.*, 2015), are considered to be hybrid organizations because they develop activities and require legitimation under both the banking and the sustainable development logics. These two sets of conflicting expectations create tensions and contradictions at the organizational level (Dees, 2012) that may lead to harmful consequences and make these organizations fragile with regard to goal displacement, paralysis, or breakup (Banerjee and Jackson, 2017; Kent and Dacin, 2013; Pache and Santos, 2010; Santos *et al.*, 2015).

Therefore, it is not surprising that hybridity, i.e. the coexistence of conflicting institutional demands and logics, is one of the main preoccupations of scholars who focus on social enterprises (Doherty *et al.*, 2014; Gonin *et al.*, 2013).

Some of these pioneering studies describe the relationship between institutional logics and hybrid organizations in terms of a genuine invasion. In this view, not only do opposing institutional logics put barely reconcilable pressures and demands on the hybrid organization; if these logics are internally represented (Pache and Santos, 2010), the irresolvable intra-organizational conflicts between groups with opposing and reciprocally delegitimizing beliefs may also jeopardize the organization from within. In this regard, such an internal clash of opposing logics threatens not only social enterprises, but all hybrids, such as, for example, so-called entrepreneurial hospitals, which are at the crossroads of the logics of healthcare, scientific research, and innovation (Miller and French, 2016).

In their seminal study, Pache and Santos (2010) mention compromise (i.e., partial compliance), avoidance (i.e., escaping the necessity to conform), defiance (i.e., attacking institutional demand) and manipulation (i.e., changing the rules of the game through institutional agency) as possible key strategies to address the threatening invasion of conflicting institutional logics.

After Pache and Santos's (2010) article, further studies started to shed light on the wide and nuanced range of possible organizational solutions to conflicting logics (Bull *et al.*, 2018; Petigrand, 2018). For example, in case the conflicting institutional logics are internally represented and translate into conflicting identities and practices, the hybrid organization may avoid paralysis by having its groups that follow different logics separated (decoupling) and then providing an arena where decoupled internal groups can negotiate and constructively discuss the trade-offs that they face (Battilana *et al.*, 2015). Another possible organizational response to conflicting logics is the negotiation and development of selective coupling solutions (Pache and Santos, 2013) through which the organization internalizes only a selection of the elements that are prescribed by each logic, thus pursuing a compromise that is acceptable by all of its external counterparts while minimizing the sources of internal conflict.

An even more creative role of the hybrid organization is envisaged by Mair *et al.* (2015), who also mention innovation, i.e., the development of original solutions and ideas (beyond the

mere recombination of elements from existing logics) as a possible way to address the hybridity dilemma.

In this light, organizational learning, creative problem solving and human resources management play a key role in enabling hybrid organizations to successfully maintain their hybridity. Battilana and Dorado (2010) suggest that socializing a hybrid organization's employees into the organization's own, specific identity, rather than letting them polarize into conflicting identities that stem from external institutions, is a good solution because intra-organizational factions increase the risks of intractable identity schism and organizational paralysis. Thus, in the absence of a pre-existing organizational identity, human resource management should concentrate on incentivizing operational excellence while minimizing ideological polarization, for example, by hiring young people whose mindsets are not biased towards one of the conflicting external logics.

By analyzing hybrid networks that link non-governmental organizations and businesses, Sharma and Bansal (2017) confirm that Battilana and Dorado (2010) conclusions are valid also at the network level: fluid categories and concentration on common, creative problem solving make the hybrid network resilient, whilst actors who follow their respective logics as categorical imperatives result in cooperation failure.

These findings are consistent with Smets *et al.*'s (2012) model of practice-driven institutional change. According to this model, change originates in everyday work, and the organization plays a pivotal role in transforming these changes in organizational practices into new identities and logics that are eventually accepted at the field level.

Institutional work, social enterprises and institutional entrepreneurship

Since they are at the intersections of organizational fields and logics that traditionally remain separated, hybrid organizations are in the position to conduct institutional work that challenges the existing boundaries between fields, i.e., so-called boundary work (Nicholls and Huybrechts, 2016; Seanor *et al.*, 2013; Zietsma and Lawrence, 2010). Because it forces actors to take into consideration different standpoints, boundary work is a strong enabler of what Tracey *et al.* (2011) call counterfactual thinking: a crucial component of bridging institutional work that allows actors to envision unexpected or unconventional approaches to the problem at hand, thus enabling the build-up of novel organizational forms to address problems that traditional logics leave unsolved. The literature, then, has begun to explore how boundary-spanning discourses, boundary objects, and the cocreation of common rules jointly enable constructive relationships in hybrid organizational fields that are characterized by diverse cultures and conflicting institutional logics (Nicholls and Huybrechts, 2016). In conclusion, we argue that the most recent results in the literature on hybrid organizations converge in the suggestion that social enterprises are not doomed to simply defend themselves from the threatening invasion of conflicting institutional logics. New practices, rules, and technologies emerge as "proto-institutions" from collaborative, embedded relationships and can diffuse at the field level (Lawrence *et al.*, 2002). Therefore, hybrid organizations and the institutional field can coevolve due to the multi-level institutional work (individual, organizational and societal) that a successful social enterprise is able to trigger (Tracey *et al.*, 2011).

In this view, the relationship between the hybrid organization and the social environment is two-sided: on the one side, the organization is influenced by the institutional logics that are relevant to its life; however, on the other side, the hybrid organization may also work as a powerful engine to develop new institutional logics and/or change the existing ones. In other words, social enterprises are emerging organizational forms that can develop new organizational logics and new business models that are rooted in practice-driven innovation and collective sensemaking. Once they are legitimated, these new organizational forms translate into new or changed institutional logics at the field level.

Therefore, social enterprises are in the position to play a key role as *institutional entrepreneurs* (Smets *et al.*, 2012; Tracey *et al.*, 2011; Zietsma and Lawrence, 2010), that is, to conduct institutional work that changes values, roles, rules and beliefs both within the organization and at the field level. In the long run, the success of a social enterprise's initiatives of institutional entrepreneurship may trigger changes in institutional logics at the societal level, thus proving even more important to sustainability transformations than the success of that enterprise's individual venture (Tracey *et al.*, 2011).

Organization-level logics and processes: the missing link between institutional work and social enterprise resilience

The analysis of the literature synthesized in the two sections above confirms that the institutional theory is well-equipped to investigate how organization-level logics are influenced by, and influence, field-level institutional logics. Based on this understanding, it is possible to identify institutional work as a pivotal factor in social enterprise resilience, because it is through institutional work that social enterprises may achieve multi-sided legitimacy and mitigate the negative effects of conflicts across different institutional logics (or even transform these conflicts into fuel for innovation). However, the literature also suggests that traditional institutional work (which aims at internal and external legitimacy as a basis for collaboration and success) is a necessary but insufficient condition for social enterprise resilience: in fact, also highly legitimized social enterprises, even after successfully addressing the internal conflicts stemming from different institutional logics, may fail (Tracey *et al.*, 2011). Actually, we still know very little on the factors that enable institutional work to result in real social enterprise resilience. This gap in our understanding is likely due to the very nature of institutional theories, which focus on societal-level forces (i.e., institutional pressures and institutional logics) rather than organizational-level factors. Therefore, this study focuses on the role of *local, organization-level logics* (rather than institutional logics) to understand how social enterprises become resilient.

To do so, this study builds upon the work by Spicer and Sewell (2010). This study proposes the concept of *organizational logic* as a meso-level construct that lies between institutional logics and individual sensemaking processes in organizations. In their article, Spicer and Sewell (2010) define an organizational logic as a configuration of ideas that articulate what constitutes legitimate, reasonable, and effective conduct around and by a certain organization. While, of course, external institutional logics influence the evolution of organizational logics, Spicer and Sewell (2010) highlight the key role of local actors and interactions in shaping the trajectories through which each specific organizational logic evolves. This local logic emerges dynamically from the system of discourses, documents, tools, procedures, and criteria of worth that shape a specific organization's life. Building upon the concept of "organizational template" and the interplay between practices and logics presented by Tracey *et al.* (2011), we argue that (social) entrepreneurs can influence the system of discourses, documents, tools, procedures and criteria of worth that shape their venture's life through three key intertwining architectures: the business model, the impact model and the organizational form (Ferreira *et al.*, 2019; Halberstadt and Kraus, 2016; Kallmuenzer *et al.*, 2018).

Consistently, we partially reconceptualize the organizational logic as the dynamic system of intertwining social expectations and behavioral drivers resulting from the organization's business model, social impact model and organizational form.

We argue that the organizational form is the main leverage through which the social entrepreneur can manage their venture's resilience, because the organization's financial sustainability, market viability, legitimacy, flexibility and effectiveness both on business and impact side strongly depend on its organizational logic. Therefore, our reconceptualization of

the organizational logic allows us to translate the general theme of this research, that is, the investigation of social enterprise resilience, into more precise research questions, that is, what are the characteristics of a social enterprise's organizational logic that make that social enterprise more resilient (RQ2) and what are the processes through which a social enterprise develops an organizational logic with such resilience-enabling characteristics (RQ1) (Figure 1). On top of this, we also explore whether other theories may usefully complement institutional theories to allow for a better understanding of social enterprise resilience.

Method

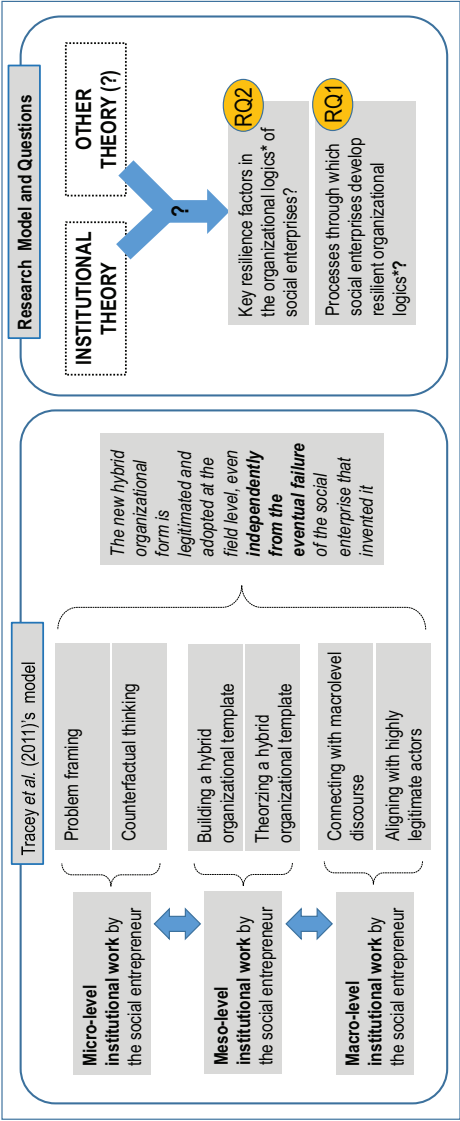
A qualitative research approach (Bryman and Bell, 2011) is well-suited to this research, for at least two reasons. First, this study revolves around “how” questions and the inductive development of a new construct (Pettigrew, 1990). Second, inductive studies that are based on qualitative analyses have been authoritatively identified as being key to developing new insights in this pioneering phase of scientific research on the role of organizations in addressing societal challenges (Eisenhardt *et al.*, 2016; Newth, 2018).

Our study contributes to this effort by investigating the emergence of a novel form of hybrid organization with a multi-sided societal impact. The beneficiaries of the social enterprise under study (which will be identified with the fictitious name of “FT”) are specific categories of both customers and non-customers. This organization pursues the work integration of unemployed people by offering ethically engaged IT consulting services (also) to subjects (such as micro-businesses and charities) that are usually excluded from this opportunity. The pursuit of this innovative multi-sided impact made the development of a bridging organizational logic particularly complex in the organization under analysis, thus providing us with a case where the phenomenon of interest was particularly intense and interesting. In addition, the previous research identifies work integration social enterprises as being particularly exposed to failure due to the peculiar challenges of business model alignment that they must face (Battilana *et al.*, 2015). In other words, work integration organizations are particularly exposed to mission drift (which occurs when the commercial focus cannibalizes the orientation to societal benefit) or bankruptcy (which occurs when the disregard of business-related problems in favor of the societal mission makes the social enterprise financially unsustainable) (Santos *et al.*, 2015). Therefore, the case under analysis can be considered to be highly representative (Yin, 2013) of a wide range of the most challenging problems and difficulties that affect social enterprises.

The longitudinal data collection on this case took place from 2011 to 2016. During this period, one of the authors served as the project manager in the social entrepreneurship initiative under study. This resulted in approximately 440 h of participant observation, during which the researcher kept a diary, took notes and collected relevant material.

At the end of the period of data collection, we complemented the data from participant observation with 10 semi-structured interviews (approximately 60 min each). The interviewees were:

- (1) The social entrepreneur who conceived the venture (three interviews),
- (2) The project manager (three interviews),
- (3) Two non-customer beneficiaries, i.e. IT professionals who were hired due to the social enterprise (one interview each),
- (4) A customer beneficiary, i.e. the owner of a small enterprise who had purchased FT's services (one interview), and



Note(s): (*) An organizational logic is here defined as the system of social expectations and behavioral drivers resulting from the organization's business model, social impact model, and organizational form

Figure 1.
The background of this study: reference model and research questions

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- (5) A manager of the non-profit organization in which the FT initiative was embedded before becoming a legally autonomous social enterprise (one interview).

These interviewees represent the entire range of this initiative's key informants. We also collected relevant documents, web pages, reports and press clips to triangulate the data.

Through group work and discussion, we selected the most interesting and relevant contents from the collected materials and transcribed these contents with a word processor to build a homogeneous archive for the analysis. The resulting archive of the contents that were deemed to be relevant to this study includes approximately 300 pages.

These selected contents were analyzed using the Atlas.ti software and ten codes. Six of these ten codes are adapted from Tracey *et al.* (2011)'s model: (1) problem framing; (2) counterfactual thinking; (3) building the organizational logic; (4) theorizing the organizational logic; (5) connecting with macro-level discourse; (6) aligning with highly legitimate actors. One code stems from the institutional theory: (7) field-level logics. One further code allows for further, bottom-up concept identification: (8) other sensemaking and institutional work processes (different from those that can be labeled with codes 1–6). Finally, we coded for (9) key decisions and/or events, and all of the coded parts were further coded for the relevant year or period (10) to facilitate the analysis of how events, behaviors and perceptions developed throughout time.

This granular coding was leveraged to address both RQ1 and RQ2 through axial coding, inductive reasoning and concept clustering. In particular, code 8 (due to its open nature) allowed for grounded, recursive bottom-up analysis and the inductive development of an original model, as detailed in the following sections.

Case presentation

The Italian business structure is highly fragmented, with a significantly higher rate of small- and micro-enterprises than in other developed countries (De Gregorio, 2003). These small- and micro-enterprises are the real backbone of the Italian labor market and business landscape; however, they are often specialized in traditional activities and display low innovation attitudes. These firms have stagnated during the 2000s, while larger enterprises have enjoyed the positive effects of the digital revolution; in addition, micro- and small enterprises have suffered more severely than larger enterprises from the economic regression following the 2008 financial crisis.

The IT labor market has been negatively affected by this situation: many small- and micro-enterprises, which have been severely hit by the crisis, have reduced their IT budgets and have ceased pursuit of IT-based innovation. Many experienced IT professionals have lost their jobs, whilst many young graduates in the IT disciplines remain unemployed and have not been given the opportunity to gain experience.

The competences of these two categories of unemployed people are highly complementary. Older professionals have a great deal of experience in the business world; however, they sometimes lack updated knowledge of the most recent technological solutions and approaches. Younger IT experts are natives of the web-based mobile world; however, they lack business experience and relational capital.

The organization at the center of our study arises from the idea of transforming this problem into an opportunity. The initiative was officially launched in 2013 by integrating the competences of unemployed IT professionals in their 50 and 20s, respectively, into a non-profit organization. We will call this organization FT, which recalls this venture's generative idea. FT selects, trains and hires unemployed IT professionals, providing them with an IT-enabled network environment for knowledge exchange, collaboration and team building. The unemployed IT professionals in their 50s and in their 20s are empowered to teach each other

and exchange knowledge, experiences and ideas. Due to this unconventional approach, FT offers high-quality, accessible IT consultancy services to business customers, especially those (such as small and micro-enterprises and charities) that are usually excluded from the opportunity to leverage high-quality information systems to improve their effectiveness and efficiency.

The FT system generates a community whose key actors are both young and experienced IT professionals, especially unemployed, single or associated; nonprofit organizations as well as micro- and small enterprises that are interested in accessible IT services; larger enterprises and government bodies that are interested in advanced IT services and corporate social responsibility initiatives; system integrators; a cooperative that provides administrative and fiscal services; universities, both as a pool of young people from whom to draw from, and as a partner in studies and research; and Ethos IT, which is a network that is dedicated to promoting an ethical approach to IT.

By empowering the actors of this network, today FT is a social enterprise that has achieved financial sustainability in the competitive market of IT services while pursuing a threefold societal impact:

- (1) Promoting the up-skilling and employment of IT professionals with obsolete or incomplete competencies who otherwise would have remained excluded from the labor market;
- (2) Providing access to advanced IT-based consultancy on the part of micro- and small-profit and non-profit organizations, which in traditional market conditions would have remained excluded from this opportunity; and
- (3) Sponsoring the dissemination of sustainable, ethical IT culture (developing an awareness of the role of IT professionals in ethically sensitive decisions and processes) in the IT professional field.

Case analysis and inductive model development

RQ1. How do social enterprises develop resilient organizational logics?

Micro-level institutional work: problem framing and counterfactual thinking

FT is the brainchild of a group of IT managers with 30 years' experience. After the 2008 crisis, this group realized that many friends and colleagues had lost their jobs. Because of personal ties and sympathy, the founding group felt strongly engaged in helping their friends and finding a solution. This soon proved to be a difficult challenge because finding a new job through traditional job market channels was becoming increasingly difficult for unemployed IT professionals. "In this business, your competencies become obsolete at lightning speed. . . one year unemployed, or even less, and you are completely out" [interview with non-customer beneficiary A].

The FT founders knew that the Italian context was particularly unfavorable to IT professionals. "In Italy, IT services are mostly provided through the so-called body rental model. . . large consulting companies control the market, whilst the IT professionals who actually do the job are just on the totem pole. This highly intermediated market results in high prices for the organizations in need of IT advise, but low wages and low job stability for IT professionals" [interview with the social entrepreneur]. In other words, the FT founders were aware that the existing market logics are not suited to addressing the problem of IT professionals' work (re)integration.

On the other side, the FT founders soon became unsatisfied with the existing opportunities for vocational training for work integration. “What we needed for our beneficiaries was flexible, cutting-edge training on advanced software solutions for IT-based business innovation. But in Italy, vocational training for unemployed people is mainly provided by specialized organizations based on public funding, and they are often, well, quite backward-looking. . . they offer quite unfocused training to unemployed people, such as English courses. . . or accounting, you know. . . or basic IT skills” [interview with the social entrepreneur]. Based on their long-term experience, the FT founders had ideas about which skills were going to be requested by the IT consulting market; however, they did not succeed in convincing the organizations that specialized in vocational training to launch these innovative courses. “Actually, these vocational training people. . . they spoke a completely different language, they looked at us as if we were UFOs. . . they have their own reference points when they decide which courses to launch. And FT could not be considered as one of these reference points, you know” [interview with the social entrepreneur]. “This is crazy! If you are unemployed and want to become a waiter, you find plenty of vocational training courses for free. . . but if you are an unemployed IT professional and need to update your competences to emerging market requests, you find nothing” [interview with beneficiary A].

Because neither the market nor the traditional vocational training logics seemed to be suited to providing a solution, the FT founding group decided that they had to launch an initiative themselves to provide their unemployed friends (and people in similar situations) with effective vocational training and job opportunities. Gradually, they developed a set of ideas. This new emerging approach was highly original compared with both the extant IT consulting logic and the traditional vocational training logic:

- (1) “We said to ourselves: we will take an entrepreneurial risk. . . I mean, we bet on a new business process management software that no one knew in Italy at that time, but we believed had great potential. We said to ourselves: we will provide vocational training on this software! So we will be able to gain a competitive advantage, we will be first movers. No traditional vocational training organization would be so bold and innovative to provide this training!” [interview with the social entrepreneur].
- (2) “Traditional vocational training organizations just take the funds and do the teaching, they do not need to really face the market through the skills of the people they train. . . FT does. That is why they are much more careful in training-related choices” [interview with non-customer beneficiary B].
- (3) “On the one side, FT plans to provide vocational training for free, like traditional work integration organizations. On the other side, they want really innovative skills to be developed so that they can skip direct competition in the start-up phase. A clear blue ocean strategy” [from the project manager’s log].
- (4) “Basic principle 1: no dependence on credit. Basic principle 2: no dependence on public funding. FT wants to be self-sustaining since the beginning” [from the project manager’s log].
- (5) “We wanted to make the difference. That’s why we decided that our customers would be charities and non-profit organizations. They terribly need professional IT advice. They have terrific room for improving their efficiency and effectiveness. But no one provided these organizations with the services they needed” [interview with the social entrepreneur].

Box 1 in [Figure 2](#) represents the processes described in this paragraph.

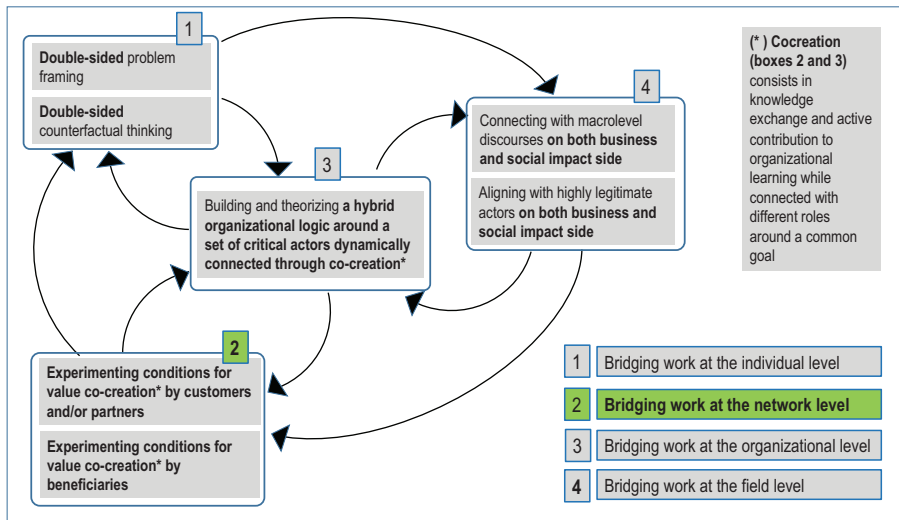


Figure 2.
An inductive model of the processes through which social enterprises develop resilient organizational logics (response to RQ1)

Note(s): The parts in bold, and particularly Process 2, are original findings that complement Tracey *et al.* (2011)'s framework

Network-level institutional work: experimenting conditions for value cocreation by beneficiaries, customers and business partners

The FT founders developed their initiative around the idea of creating intergenerational IT specialist teams, each of which was developed by training and hiring unemployed people both in their 20s—who often are not recruited after their qualifications because they are inexperienced—and people in their 50s—who are often prematurely ejected from the labor market because of the crisis and the obsolescence of their competencies. In other words, “the initial social entrepreneurship idea consisted in an intergenerational pact for work” [interview with the project manager]. By working together, younger people can share the latest knowledge that they have gained in their university studies, and older people can share the experience that came from their working careers; this results in reciprocal benefits and generates positive spillover for the entire FT network.

The participants of the FT work integration program are selected, trained and employed based on a dedicated IT platform that also enables effective distance learning and remote work. The participants (both during and after the training period) are expected to actively contribute to the cocreation of valuable competences, which are understood as a common good. Therefore, the training program always includes mixed training sessions between experienced professionals who already work for FT and people in training.

To make its vocational training processes financially sustainable, FT built a partnership with an international software producer, which had developed a business process management (BPM) application that the FT founders believed to be very promising. This BPM software was almost unknown in the Italian context, and the software company was interested in finding commercial partnerships to enter this market. The software company found the FT business model, which is based on high-quality, low-cost IT consulting for micro- and small businesses and NGOs, to be very interesting and credible. Therefore, the software company agreed to provide vocational training on their BPM software for free, under the agreement that FT would propose this software to customers for their BPM advisory services.

Based on this organizational logic, “FT could keep the costs of its vocational training activities incredibly low. FT succeeded in making the actors perceive increased competences as a common good, which needed to be co-created by the beneficiaries and partners themselves, that is, the unemployed people selected for the program and the software company promoting its BPM solution in the Italian market” [interview with the project manager].

This cocreation logic was also applied to administrative and business development activities. Due to the relational capital of the project manager, FT started to collaborate with a large and well-established cooperative company that is aimed at social promotion. This cooperative company had already developed an open attitude toward hybrid logics due to a previous and successful social entrepreneurship initiative. A reciprocally beneficial agreement emerged from this relationship: the well-established cooperative company hosted FT as one of its projects, providing FT, which was still just an informal organization, with administrative support in its start-up phase. In exchange, FT provided this partnering company with IT consulting services for free. The credibility, financial stability and well-established legitimacy of the hosting company as a non-profit organization allowed the FT initiative to rapidly find new customers, especially among charity organizations and public administration bodies. In turn, this successful work integration initiative further boosted the hosting company’s reputation and goodwill.

Due to this arrangement, FT maintained an extremely lean organizational architecture in its start-up phase: the founders, two retired IT professionals, dedicated their time and experience to FT as volunteers; the project manager contributed to the specific needs of the nascent enterprise; while “the working teams, once trained and assigned to customers, mostly self-organized their activities” [interview with the social entrepreneur]. This allowed FT to offer advanced services at competitive costs.

Box 2 in [Figure 2](#) represents the processes described in this paragraph.

Meso-level institutional work: building and theorizing a bridging organizational logic

The credibility that was gained due to the first successful IT consulting contracts took FT to the next level. An important multinational industrial company (where one of the FT founders had previously served as an IT manager) charged FT with the task of developing a BPM innovation project.

This experience led to an internal conversation and the re-theorization of the FT mission. In the original idea, FT was expected to offer its services only to organizations that are excluded from the traditional IT consulting market, such as charities and micro-businesses. However, the founders decided to seize this opportunity to work for a large multinational company. “In the IT consulting sector, IT professionals continuously learn by doing. A contract with a large multinational company would boost our IT professional’s capabilities and long-term employability. In addition, this would result in a higher financial strength, which would allow us to better serve less profitable customers, such as small charities” [from the project manager’s log]. “When you see that a consulting company costs less than the others, well, you become suspicious and think that maybe they are low-quality. But if they have worked successfully for such a big company . . . well, this is reassuring” [interview with a customer beneficiary].

Everyday practice and interactions led the FT people to gradually realize that their value proposition was internally consistent; however, it was interpreted and used differently by external subjects. “Different customers concentrate on different things. Large enterprises? They want to make sure that you can provide them with high-quality, innovative services. Then, and only then, they are happy to discover that you are also socially responsible and low-cost. Public administrations and NGOs? They are interested first of all in your being socially responsible and in your work integration impact. Then, they are happy to know that you provide high-quality professional services at a low cost. Small and micro businesses?

They are interested in low costs and flexibility in the first place. Then, if the price is low enough, social impact and cutting-edge quality are welcome” [interview with the project manager]. Being aware of this, FT started articulating their organizational logic, consistently based on common good cocreation, in a multi-sided fashion. For example, the FT web site has separated and easily distinguishable pages dedicated to FT business excellence and social impact so that the users themselves choose to search for information on what is more interesting to them. This multi-sided logic is considered as a positive bridging force: “Interaction with large companies keeps us professionally excellent. Interaction with charities and NGOs helps us maintain our ethical motivation. Interaction with small businesses gives us the satisfaction of making the difference for the customers: it is incredible how much they improve their efficiency and effectiveness with relatively simple help from us” [interview with the social entrepreneur].

The results of the start-up phase were encouraging: in three years’ work, FT had trained 60 people, 70% of whom were employed as IT professionals in FT’s consulting services. FT had gained a reputation as a reliable service provider for a wide range of business customers, from large enterprises to charities and micro-firms.

Due to its bold first-mover strategy in the start-up phase, FT had enjoyed low competitive pressures in that phase. However, its very success had attracted the attention of some competitors, i.e. other IT consulting companies that started to offer similar services based on the same BPM software.

Becoming aware that in the near future, “stronger and more structured commercial capabilities are likely to be needed” [interview with non-customer beneficiary B], in 2017, FT decided to become legally independent from the cooperative in which it had been embedded for three years and to found a proper and formally constituted social enterprise with ad-hoc governance. The process of cocreation centered adaptation and fine-tuning of the organizational logic continued on. “We need to be more careful in candidate selection. If the people we train do not share our idea of common good co-creation, they just opportunistically learn from us, and then leave us and go to work elsewhere” [interview with the project manager]. “We need to extend our range of expertise. Our killing skill, that is, the innovative BPM software, is being imitated by competitors and soon will not be enough to stay on the market anymore” [interview with the social entrepreneur].

The analysis shows that the process of building and theorizing FT’s organizational logic is a never-ending one. Market and institutional conditions continuously change, and consistently the entrepreneurial sensemaking processes recursively question and possibly regenerate the organizational logic.

Box 3 in [Figure 2](#) represents the processes described in this paragraph.

Macro-level institutional work: connecting with macro-level discourses and aligning with highly legitimate actors

In its initial phase, FT founders tried to connect with the most important actors of the vocational training sector. However, as anticipated in [above](#), this connection proved impossible. In the Italian context, most providers of free vocational training for the unemployed tend to choose the subject of the training process based on the mainstream, bureaucratic logics of the public administrations that fund these initiatives. “These people are quite rigid and conservative and all they want to see is traditional courses such as English language, bakery, or Microsoft Office. . . those people [from vocational training institutions] cannot really consider the idea that vocational training can be linked to a specific entrepreneurial opportunity” [interview with the social entrepreneur]. In other words, the mainstream institutional logic of vocational training in Italy assumes that public money

cannot be spent to train people for a specific innovative venture or business idea, no matter how promising it could be in terms of job creation.

Therefore, FT renounced public funding for vocational training and chose to connect with the CSR discourse. “We need to remain different. We can provide our customers with the possibility to claim veritable, concrete Corporate Social Responsibility action. We must become even more credible as for this” [interview with the social entrepreneur]. FT customers, especially large companies, non-profit organizations and public administration bodies, are increasingly happy to be able to demonstrate they contribute to the fight against unemployment through their providers, especially if these providers do guarantee high-quality services. This is consistent with the “doing well by doing good” discourse that is core to CSR.

FT gained strong credibility as a CSR partner since the beginning, thanks to the large and highly legitimate non-profit association that incubated the FT project in its first three years. This “mother institution” had already experimented with the positive effects of cocreation and beneficiary empowerment in previous projects of social promotion, therefore the connection with the empowerment discourse has been very strong for FT since its start-up phase.

In addition, FT has intensified its role in Ethos IT, an association devoted to the dissemination of ethical IT culture in the business world. Ethos IT actively contributes to ethics-oriented education of the FT network and particularly of the people in training. “The problem of the ethical implications of IT work is now becoming explosive in the digital economy. . . people and companies are starting to become aware of the fragilities and risks connected with unethical data management. The legislation is not enough to address this problem: what is needed is a community of IT workers, data scientists, analysts, software guys, who are aware and take responsibility for this. And we can be proud to be among the pioneers that have been aware of this problem for years” [interview with non-customer beneficiary A].

Last but not least, the cocreation principle underpinning FT’s organizational logic, as described above in Paragraph 5.1.2, resonates with an approach that is widely and growingly accepted and reputed in business contexts, and particularly in marketing, IT outsourcing and consultancy, that is, the so-called service logic (which will be more thoroughly described in Paragraph 5.3).

Therefore, we can conclude that even if FT misses a link with the key traditional institutions and discourses revolving around vocational training for unemployed people, this social enterprise has successfully connected with a robust and consistent network of reputed actors and viable discourses both on the business and the social impact side, including a large, highly legitimate non-profit organization, several well-known and demanding customers, the Ethos IT association, and the strong discourses revolving around CSR, cocreation, empowerment and ethically engaged IT work.

Box 4 in [Figure 2](#) represents the processes described in this paragraph.

The emerging model: the four-fold process of building a resilient social enterprise and the dynamic selection of critical actors

Our investigation reveals that in the case under analysis, a resilient organizational logic has been developed through four intertwining processes of institutional work, as synthesized in [Figure 2](#). Three of these processes can be quite effectively described through [Tracey et al. \(2011\)](#)’s model since these four processes can be labeled as micro-level institutional work (problem framing and counterfactual thinking), meso-level institutional work (building and theorizing a bridging organizational logic) and macro-level institutional work (connecting with macro-level discourse and aligning with highly legitimate actors). However, a fourth

process, which is missing in Tracey *et al.* (2011)'s work, is also key to the hybrid enterprise resilience in the case under analysis: network-level institutional work. The Discussion section further describes and discusses the emerging model and its novelties compared to Tracey *et al.* (2011).

RQ2. What are the key resilience factors in the organizational logics of successful social enterprises?

The FT case (especially if critically compared with the case described by Tracey *et al.*, in 2011) suggests that the multi-sided legitimacy of a social enterprise's organizational logic is important, but insufficient to address its intrinsic fragilities. Besides legitimacy, a key emerging difference between a non-resilient and a resilient social enterprise is that the latter is a *learning* organization in which all partners, customers, and non-customer beneficiaries have specific roles in cocreating value not only for today (through work, funding and/or commercial exchange) but also for tomorrow (through knowledge sharing, knowledge cocreation and collaborative sensemaking for continuously regenerating both the business model and the impact model).

For example, in the work integration enterprise presented by Tracey *et al.* (2011) the beneficiaries (homeless people, in that case), once hired, were not expected to help other beneficiaries and were encouraged to leave the enterprise as soon as they became able to get a "normal," less protected job. In FT, conversely, an opposite logic shapes behaviors: "Experienced people must share their knowledge with the young, and vice versa. People working here become soon quite attractive for the labor market because they develop rare and valuable skills; however, our employees are not expected to resign just because they could earn more money elsewhere! They are expected to remain here, at least until they have contributed enough, they have shared enough, and they have become replaceable in their team" [Project manager's log].

Similarly, business partners and (non-beneficiary) customers are included in FT's network mainly based on their potential contribution to organizational learning and cocreation. For example, FT decided to serve also large enterprises, despite its original mission of serving only "fragile" customer-beneficiaries such as micro-enterprises and non-profit organizations, because providing a large enterprise with IT services results in FT learning new skills and capabilities that are valuable to better serve the most fragile customers-beneficiaries, as well. In addition, FT chose to sell IT services around a software solution that the founders considered very promising but was almost absent in the national market yet: in this way, FT could negotiate free software training for its employees by convincing the software company that FT could help them enter the Italian market.

The role of the cocreation logic complements, rather than replacing, the role of multi-sided legitimacy in FT's hybrid field. Thus, based on our results, synthesized in Figure 3, the key factors enabling FT's resilience can be logically clustered around two concepts: a hybridity-related dimension, which expresses the level of the organizational logic's embeddedness in its hybrid organizational field, and a cocreation-related dimension, which expresses the extent to which the social enterprise's network of critical actors actively collaborates to its business and impact model (also) through the cocreation of knowledge and capabilities. Both dimensions contribute to link subjects and logics that may be distant in the organizational field, and enable the collaboration of such heterogeneous forces around a common goal. Therefore, we leveraged the metaphor of the bridge to express the capacity of the organizational logic to remain internally consistent and robust while connecting distant grounds.

Our study suggests that when the hybridity-based bridging power of a social enterprise's organizational logic is high, the social actors that carry external conflicting logics (for example, the traditional logic of IT consulting and the traditional logic of vocational training)

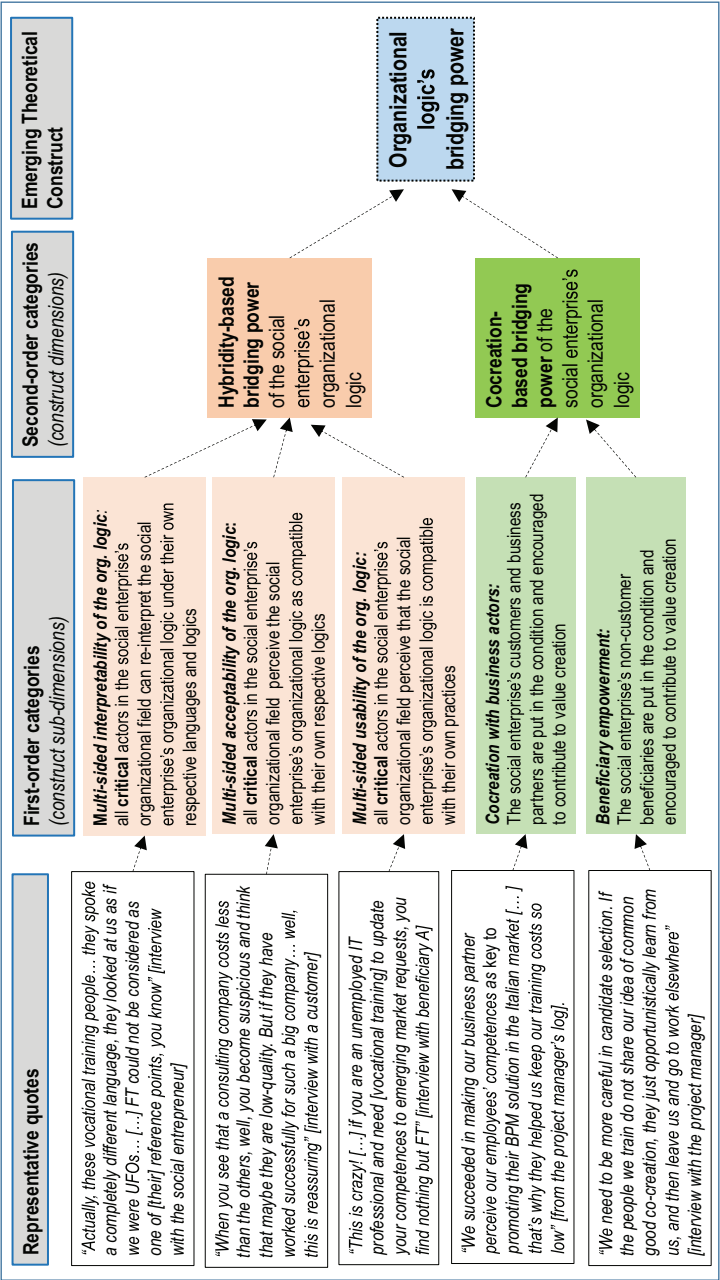


Figure 3.
Data structure for the
inductive development
of the two-dimension
construct
"Organizational logic's
bridging power"

will not perceive the social enterprise as a foreign matter to delegitimize or invade; in addition, operation-level interactions are enabled and facilitated. This puts the social enterprise in the condition to have its model accepted and to influence behaviors and practices from within the field. In addition, social enterprise can also disseminate the principles that underlie its organizational logic at the field level. In fact, the FT initiative “is growingly described as a pioneer of a new more entrepreneurial approach to work integration and vocational training that complements the traditional approaches.”

On the other side, unless the cocreation-based bridging power of a social enterprise’s organizational logic is high, both business partners and beneficiaries play just the traditional roles of transaction counterparts and help recipients: in this case, the social enterprise must shoulder all the efforts and costs of organizational learning and double-sided value creation, and legitimacy alone may prove insufficient to survival.

Based on the inductive data analysis synthesized in [Figure 3](#), we identified two dimensions of the emerging construct “organizational logic’s bridging power”: hybridity-based bridging power, and cocreation-based bridging power. In turn, these dimensions can be broken up into operationalizable sub-dimensions: multi-sided interpretability, acceptability, and usability of the organizational logic constitute hybridity-based bridging power, whilst cocreation with business partners and beneficiary empowerment are the two sub-dimensions of cocreation-based bridging power.

Discussion

This inductive study revolves around the role of the social enterprise’s organizational logic, conceptualized as the system of roles, rules and social expectations that result from the organization’s business model, impact model and organizational form.

This conceptualization allows us to view the organizational logic as a meso-level force linking the social entrepreneur’s individual efforts and choices with both institutional and business forces.

The FT case (especially if critically compared with the case described by Tracey *et al.*, in [2011](#)) suggests that the multi-sided legitimacy of a social enterprise’s organizational logic is important, but insufficient to address its intrinsic fragilities. Besides legitimacy, a key emerging difference between a non-resilient and a resilient social enterprise is that the latter is a *learning* organization in which all partners, customers, and non-customer beneficiaries have specific roles in cocreating value not only for today (through work, funding and/or commercial exchange) but also for tomorrow (through knowledge sharing, knowledge cocreation and collaborative sensemaking for continuously regenerating both the business model and the impact model). The results of this study suggest that the organizational logic can be considered the main engine of the social enterprise’s resilience, provided that its organizational logic is internally consistent and robust while also able to trigger recursive learning cycles by linking distant rules, resources and systems of worth. We translated these joint characteristics (robustness and linking capacity) into the metaphor of the bridging power of the organizational logic.

The analysis of the FT case allowed us to develop an operationalizable definition of the new construct “organizational logic’s bridging power.” According to our results, this is a two-dimension construct, made up of hybridity-based and cocreation-based bridging power. Three and two sub-dimensions, respectively, further define the construct ([Figure 3](#)): the hybridity-based bridging power of the social enterprise’s organizational logic is made up of multi-sided interpretability, multi-sided acceptability, and multi-sided usability; whilst the cocreation-based bridging power of the social enterprise’s organizational logic is made up of cocreation with business actors and beneficiary empowerment.

The analysis of the FT case also allowed us to identify the key processes through which a social enterprise develops an organizational logic with high bridging power. These processes can be described in terms of individual-level, network-level, organization-level and field-level institutional work. Our results suggest that these four processes are key to recursively (re) constructing resilience in social enterprises (Figure 2).

More in detail, the analysis of the FT case allows us to inductively build an original process development model that, while consistent with Tracey *et al.*'s (2011) three-level framework of bridging institutional work in social enterprises, leverages a wider range of concepts than Tracey *et al.*'s (2011) paper and, we argue, may have a higher explanatory potential for social enterprise resilience. The emerging model is synthesized in Figure 2.

The most conspicuous difference between Tracey *et al.*'s (2011) framework and the emerging model proposed by this paper is the presence, in the latter, of a process that is completely absent in the former: network-level institutional work (process 4 in Figure 2), which is consistent with the phenomena described above in Paragraph 5.1.2. In the emerging model, network-level institutional work consists in developing and experimenting conditions for double-sided cocreation, on both the customer/partners and the beneficiary side. In this model, actor cocreation consists essentially in interconnected actors exchanging knowledge and actively contributing to organizational learning while cooperating in different ways to a common goal. This type of process is substantially overlooked in studies that are based on traditional mainstream institutional theories. In fact, the illustrative case presented by Tracey *et al.* (2011) does not envisage any significant cocreation activities by beneficiaries and business partners: in that case, customers, franchisees, funders and beneficiaries (homeless people) play the traditional roles of buying products, selling products, providing funds and accepting help in the form of a job opportunity, respectively, but do not play an active role in organizational learning and adapting the organizational logic. In other words, under a purely institutionalist approach that overlooks the role of cocreation, the (social) entrepreneurs are almost alone in the face of the entrepreneurial and organizational learning needs of their venture, which may decrease the organization's resilience dramatically. Perhaps not surprisingly, the social enterprise described by Tracey *et al.* (2011) failed. In contrast, the FT initiative, which is strongly based on network-level institutional work for a cocreation-based organizational logic (see above, Paragraph 5.1.2), proved very resilient, even in the absence of any legitimization on the part of the main incumbent actor of the vocational training field.

A second important novelty in the model proposed by this article is that organizational-level institutional work (building and theorizing the organizational logic) strictly coevolves with the identification and engagement of the critical actors that will make up the cocreation network. This implies a strongly interactional view of the business and the impact models. Only actors that can actually contribute to value cocreation through mutual help and co-learning are included in the organizational logic of highly resilient social enterprises. In this light, even potential funders are excluded if they do not serve as cocreators: partners (even funders or customers) that do not contribute to organizational learning and sensemaking are viewed as a source of rigidity and, in the long run, failure. For example, FT renounced to include the big players of vocational training among its partners because this would have implied a passive acceptance of their institutional logics, with excessive limitations to the opportunities to learn and cocreate what unemployed IT professionals really need. "The only relationship that was possible with those big players of vocational training was FT taking their money and doing what they expect. They were not interested in innovating with us. That's why we did not enter their network, nor did they enter ours" [interview with the project manager].

The network of critical actors, that is, all those actors (including beneficiaries) that actively contribute to cocreation and organizational learning can change significantly throughout

time. For example, after a first phase in which only small businesses and non-profit organizations were taken into consideration as FT customer-beneficiaries, large enterprises have been accepted as possible FT customers at a later stage, due to the irreplaceable learning opportunities that serving a large company would have provided FT with.

In addition, the inductive model synthesized in [Figure 2](#) provides a third important integration to [Tracey *et al.* \(2011\)](#)'s framework: all institutional work needs to be multi-sided, that is, the legitimacy on the social impact side must be compatible with the necessary innovativeness on the business side, and vice versa. If the business model is based on an old-fashioned value proposition and/or targets an already saturated market, with a traditional organizational form that does not externalize the effort through cocreation, even the highest legitimacy of the impact model is likely insufficient: in this light, no wonder that the social enterprise described by [Tracey *et al.* \(2011\)](#) failed, despite being highly legitimated.

Last but not least, our analysis suggests that the whole process of building a bridging organizational logic for a resilient social enterprise is a dynamic, never-ending one, that continuously revolves around the (re)definition of the rules of the game and the roles of the critical actors that must be put in the conditions to cocreate.

Our study suggests that social entrepreneurs (whether they are individual persons or collectives) start developing highly innovative organizational logics because their personal and ethical feelings lead them to become dissatisfied with the possibilities to address societal problems that are provided by existing logics. New organizational logics emerge from social entrepreneurship as an innovative system of expected means-ends relationships that accumulate around a generative idea. The social entrepreneur develops an approach that may be strongly counterfactual compared to existing logics. Collective sensemaking and everyday work in the startup phase allow the social enterprise to gradually enhance the consistency of its emergent organizational logic. Meanwhile, social interactions make the social entrepreneur aware that the other actors in the social enterprise's organizational field interpret and use the new emergent organizational logic in different ways, thus resulting in their possible (or impossible) contributions to cocreation. In-depth, dynamic social theorization around the organizational logic is key to this process. Interestingly, our study suggests that the boundaries of the social enterprise's organizational field are influenced by its organizational logic's evolving network of critical actors. In other words, there may be a coevolution between the social enterprise's organizational logic and the configuration of its organizational field. Therefore, our study suggests that bridging organizational logics emerge as creative answers to the need to bridge different actors and adaptively shape a social enterprise's organizational field.

This study's emerging responses to [RQ1](#) and [RQ2](#) (see [Figures 2](#) and [3](#)) suggest that a meta-theoretical approach to social enterprise resilience would have higher explanatory power than a framework that is solely based on the institutionalist approach.

In fact, whilst the hybridity-based dimension of the organizational logic's bridging power is fully consistent with the body of knowledge on organizational logics, the cocreation-based dimension of the organizational logic's bridging power ([Figure 3](#)) cannot be effectively understood through institutionalism.

The pivotal role of cocreation in the FT case is highly consistent with a wide, multidisciplinary body of knowledge synthesized in [Figure 4](#), including at least four literature streams: (1) service logic and customer coproduction ([Vargo *et al.*, 2008](#)), (2) public value coproduction ([Voorberg *et al.*, 2015](#)), (3) beneficiary empowerment ([Santos, 2012](#)), and (4) common resource dynamics ([Ricciardi *et al.*, 2020](#)).

From its beginning, the FT founding group insisted that all of its actors should view the competences to be created through vocational training as a common good. This means that these competencies are not a value to be appropriated but a resource to be translated into benefits for all of the cocreators ([Hess, 2008](#)). For example, these improved competencies

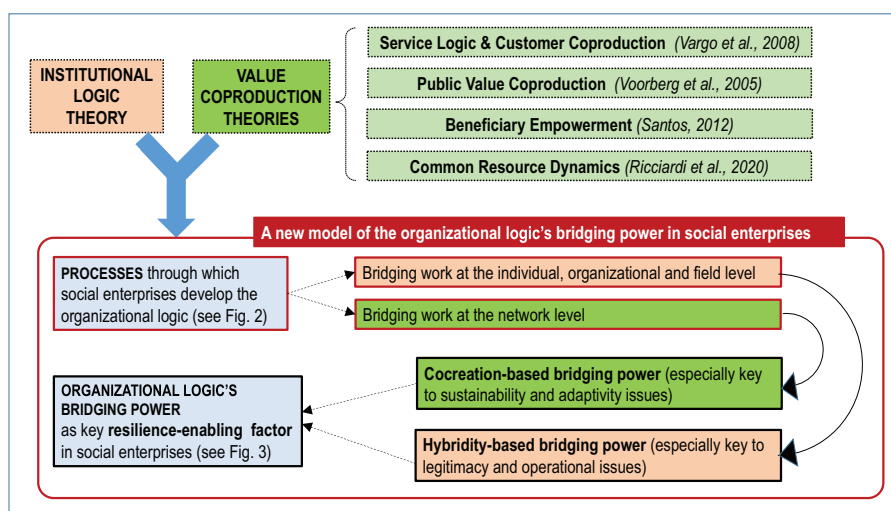


Figure 4.
The key findings of
this study: an
integrated response to
RQ1 and RQ2, and the
possible theoretical
rooting of the
proposed model

translate into employability for the people in training; innovation capabilities for the small enterprises that purchase the service; commercial development for the software provider; and increased ethical awareness for large customers. According to the theory of commons, a common good is a resource whose value is not maximized through individual appropriation (Moran and Ghoshal, 1999) but through its educated collective use (Dietz *et al.*, 2003). To maximize the value of a commons, that is, a system that (re)generates common resources (Ricciardi *et al.*, 2020), the community that benefits from these common resources must actively protect the system against both opportunistic exploitation and disengagement. Consistently, we argue that the strength of the FT organizational logic lies in its capability to transform disparate “critical actors” (Figure 2) into a hybrid collective of cocreators and co-users of a new commons. This approach converges with the views of a growing stream of studies on the cocreation of public value (Voorberg *et al.*, 2015).

The idea of cocreation, which is at the core of FT’s organizational logic, is also highly consistent with the idea of beneficiary empowerment, which is core to social enterprise theories and best practices (Bonomi *et al.*, 2015). For example, Santos (2012) claims that because social entrepreneurs do not appropriate most of the value that is generated by their initiatives, they can typically count on very limited resources to perform the activities that are entailed by these initiatives. Consistently, the social entrepreneur likely needs to create the conditions for the active participation of the other parties in the project, so that the other parties leverage their own (often under-exploited) skills and resources to perform several activities that are essential for the system to function, without (or with very low) additional costs for the social enterprise.

In FT’s innovative business model, the cocreation idea concretely translates into many services being provided in exchange for other (knowledge-related) services, rather than money. This is highly consistent with some important and growingly successful approaches in the service markets, i.e. the so-called service-dominant logic and service system view (Maglio and Spohrer, 2008; Vargo *et al.*, 2008).

In other words, the proposed concept of organizational logic’s bridging power is consistent not only with the body of knowledge on organizational logic and hybrid fields but also with a second viable body of theories that, although developed independently, converge in

Conclusions

This study investigates the organizational logic as the under-investigated locus of hybrid organizations' resilience. The organizational logic is here conceptualized as the dynamic system of roles, rules and social expectations that result from the organization's business model, impact model, and organizational form. In this way, the organizational logic as a construct includes both the social and the business forces that the social enterprise is subject to, and is then particularly suited to investigate its resilience.

Building upon this concept and the in-depth qualitative analysis of a significant case, we inductively develop a model that identifies the organizational logic's bridging power (with its two dimensions: hybridity-based and cocreation-based bridging power) as key to the resilience of social enterprises. In addition, we identify the key processes through which social enterprises may build an organizational logic with a strong bridging power, by recursively and collaboratively managing institutional work at four levels: individual, network, organization and field.

Like all inductive studies, this research has limitations and requires further investigations, both qualitative and quantitative, to assess the model's soundness and explanatory power. On the other hands, these limitations open up opportunities for further research that leverages the concepts of institutional work, organizational logic and organizational logic's bridging power to better understand and support the resilience of social enterprises. In addition, this study encourages further exploration of the joint explanatory potential of institutional theories and cocreation theories for hybrid organizations, as synthesized in [Figure 4](#).

Last but not least, a better understanding of the factors that can protect social enterprises from the threats of mission drift, business failure, operational paralysis, identity crisis and intractable conflicts may have relevant implications for practice, both at the organizational level (entrepreneurs and managers) and at the system level (institutions and policymakers).

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